

From: Kelly Cook
 To: DADAVIS; GTYNER; WNEWBERR
 Date: Fri, Sep 7, 2001 12:59 PM
 Subject: Gulfco Questions

Question No. 1

Have the PRPs been notified and given a chance to clean up the property?

LDL Coastal

On January 13, 2000 and January 8, 2001, LDL Coastal received notice that the TNRCC and EPA would be investigating the property pursuant to the Comprehensive Environmental Response Compensation and Liability Act of 1980 (CERCLA) as amended, 42 U.S.C. 9601 et seq., to determine if there is a "release or substantial threat of release into the environment of any pollutant or contaminant which may present an imminent and substantial danger to the public health or welfare." Authority to conduct this investigation was also provided as contained in Section 104(e) of CERCLA, Section 308 of the Clean Water Act, Section 361.182 of the Texas Solid Waste Disposal Act, and Sections 26.014 and 26.015 of the TEXAS WATER CODE.

On January 20, 2000 and January 10, 2001, LDL Coastal signed an access agreement allowing USEPA and their authorized representatives, TNRCC, continued access to their property for the purposes of investigation. This access agreement also included the statement "I realize that these actions are undertaken pursuant to EPA's response and enforcement responsibilities under the Comprehensive Environmental Responsibility, Compensation, and Liability Act, as amended (CERCLA), 42 U.S.C. 9601 et seq., as well as 40 CFR Part 300.400 Subpart E (40 CFR Part 300 is the Federal Superfund Hazard Ranking System)." The authorized attorney for LDL Coastal, Mr. Allan B. Daniels, executed the January 10, 2001 access agreement.

As understood from discussions with our Bankruptcy Program, LDL Coastal knows, by virtue of their purchase of the property from bankruptcy court, that they are responsible for cleanup of their property. And, as stated by the Office of the Attorney General, during bankruptcy settlement negotiations, since the facility was sold during the pendency of the bankruptcy, remediation of the facility became the responsibility of the new buyer.

Also, once the site is listed on the NPL, USEPA will extend a special notice to the PRPs asking them to submit a good-faith offer to clean up the site. The special notice establishes a 90- to 120-day moratorium on USEPA cleanup work and a formal period of negotiation between USEPA and the PRPs.

It appears that only limited removal actions, for the disposal of some hazardous wastes have been conducted at the site. These actions were taken by Hercules Marine in August of 1999.

Messrs. Jack Palmer and Ron Hudson (Lot 56)

On January 24, 2001, Messrs. Jack Palmer and Ron Hudson (owners ^{of} Lot 56) received notice that the TNRCC and EPA would be investigating the property as stated above. The return receipt of this notice was signed by Mr. Jack Palmer. The access agreement to Lot 56 appears to have



been executed verbally.

No removal activities on lot 56 were noted during the superfund investigations. As stated above, and the site is noted the EPA will extend an offer for a cleanup settlement to the PRPs.

Question No. 2

Do we have any financial information on LDL Coastal or Messrs. Jack Palmer and Ron Hudson?

No financial information was found in the superfund, enforcement and bankruptcy programs files at this time.

Question No. 3

Is LDL Coastal related in any way to Coastal Oil?

A search conducted through Choice Point (version of InfoTek) for LDL Coastal and Coastal Oil revealed different addresses and CEOs. The Secretary of State's data base was also checked for a possible relationship between the two companies. No relationship was found.